

## **Croatia: European Commission declares new TPP Plomin C project as state aid**

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Ministry of Economy and power utility HEP have received the opinion of the regulatory body of the European Commission (EC) for Competition which implies that the cooperation between HEP and Japanese Marubeni on the realization of TPP Plomin C project is unacceptable.

Unofficially, the key problem was not in the contract for purchase of electricity but in the fact that HEP is a state company in which political motives are much stronger than business ones. EC reasonably questions whether HEP would embark on the project with Marubeni if it is not state-owned company, where the state would —jump in|| in case something goes wrong. In this case, Marubeni could be viewed as investor privileged by the state, which is violation of the rules on freedom of competition.

HEP officially refused to confirmed that the company has received such an opinion from the European Commission.

This opinion also suggests to HEP that if it wants to realize TPP Plomin C project, it should engage in the public process of in-depth examination of the project, in which all the interested public will be involved. Thus, the EC will not only examine the business model and the draft contract with Marubeni, but will also seek opinion from environmental organizations and Istria County, who strongly oppose to the construction of coal-fired thermal power plant at this location.

Few days before the EC sent the opinion, Istria County, with the approval of the Ministry of Construction and Spatial Planning, has adopted a draft spatial plan of the county, according to which only gas-fired power plant or RES production facilities could be built at Plomin location.

TPP Plomin C project envisages the construction of 500 MW unit C which would be a replacement for the obsolete unit A. Japanese Marubeni should build the power plant in four years, and after its commission HEP will be obliged, through a longterm power purchasing agreement, to purchase half of the electricity produced by the plant, while the other half will be sold on the market, transmits [Serbia-energy.eu](http://serbia-energy.eu)